

Iowa Department of Human Services

Offer #401-HHS-009: Adoption

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This offer is for: (choose one)		This offer includes the following appropriations:
X	Status quo existing activity	Adoption Subsidy, Field Operations, General Administration

Result(s) Addressed:

- Achieve permanent caring families for children who are in foster care and eligible for adoption

Program Description:

The purpose of the DHS adoption program is to achieve stable and permanent families for children who have been abused or neglected, and whose parental rights have been terminated. In SFY 2009, the Department of Human Services finalized 937 adoptions¹. As of June 30, 2009, there were 8,387 children receiving an adoption subsidy payment.

Who:

The adoption program serves some of Iowa's most vulnerable children, those who have been abused or neglected.

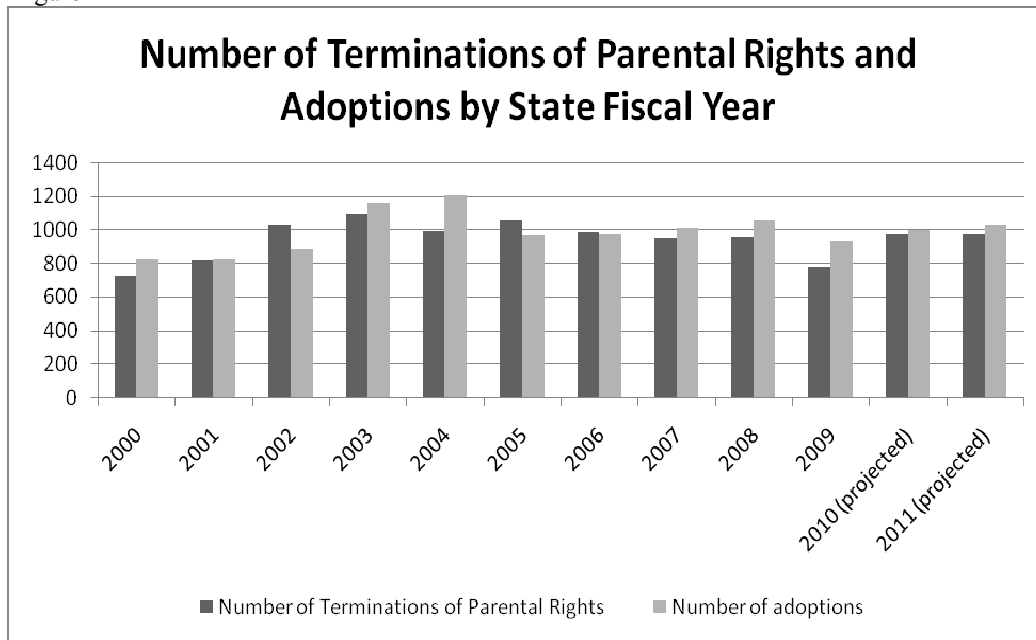
- A child is eligible for adoption services through DHS if:
 - The child is under the age of 18 and in foster care with DHS responsible for the child's placement and care, and
 - The child's parents have had their parental rights terminated by the Juvenile Court and guardianship transferred to the Department of Human Services.
- A child is eligible for the adoption subsidy if the child meets both of the following criteria:
 - The child has a special need (has a physical, mental or emotional disability; is Caucasian and age 8 or older; or is a member of a minority race or ethnic group and two years of age or older); and
 - The state could not place the child for adoption without the subsidy.
- Once a child is eligible for the adoption subsidy, they remain eligible until they turn age 18 (or 21 if they have a diagnosed physical, mental or emotional disability).
- Adoptive parents' income is not considered in determining a child's eligibility for subsidy, per Federal regulations.

In SFY 2009, the Department of Human Services finalized 937 adoptions. This is a decrease from SFY 2008, primarily due to a downward trend in the number of children in foster care. There were 777 terminations of parental rights actions in SFY 2009.

¹ This is a preliminary count for SFY 2009. The final count will be done in October.

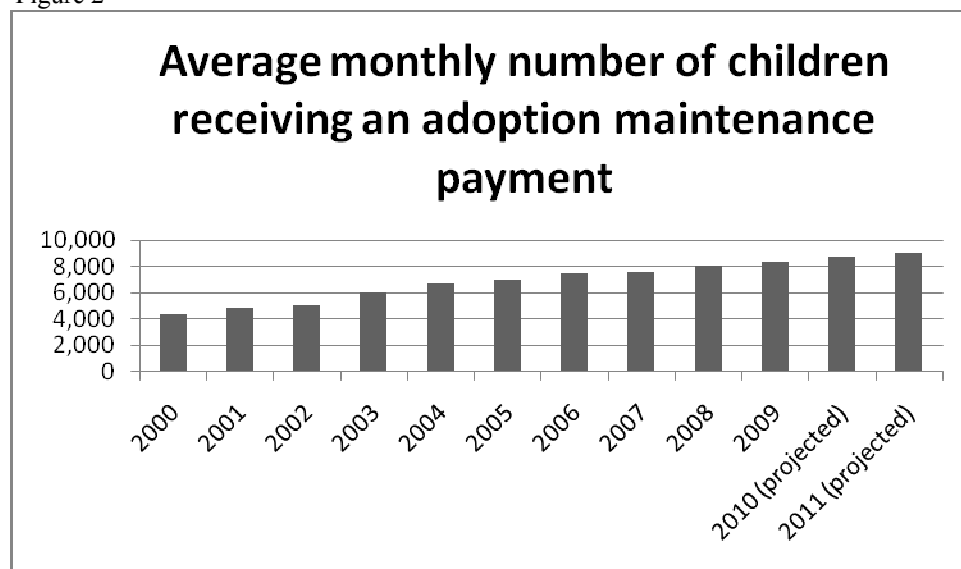
Figure 1 shows historical data on terminations of parental rights (TPR) for children in foster care and adoptions of children from foster care.

Figure 1



As of June 30, 2009, 8,861 children were eligible for adoption subsidy. Of those children, 8,387 received a subsidy payment. 474 children have an approved adoption assistance agreement but did not receive a subsidy payment, either because they chose not to receive a payment or because the child was identified as “at risk” of having a special need, allowing the subsidy to be negotiated in the future if the child is diagnosed with a physical, mental or emotional disability. Figure 2 shows the number of children receiving an adoption subsidy maintenance payment. The caseload growth has slowed over the last two years, due to the decrease in the number of children in foster care and the resulting decrease in the number of children adopted through DHS.

Figure 2



The average monthly number of children receiving an adoption subsidy has increased steadily over the last 10 years and will continue to rise even though the number of adoptions has stabilized or decreased. This is because the majority of children adopted through DHS are younger and they remain eligible for the adoption subsidy until they are 18, or 21 if they have a mental or physical disability.

As shown in Figure 3, over half the children adopted through the Department of Human Services are ages 5 or younger. One reason for this is that it is more difficult to find adoptive families for older children. On the other hand, as shown in Figure 4, the majority of children receiving adoption subsidy are age 6 or older. This is because, as noted above, once children are eligible for the subsidy, they remain eligible until they are 18 or 21 if they have a mental or physical disability.

Figure 3 -- Age of Children Adopted through DHS

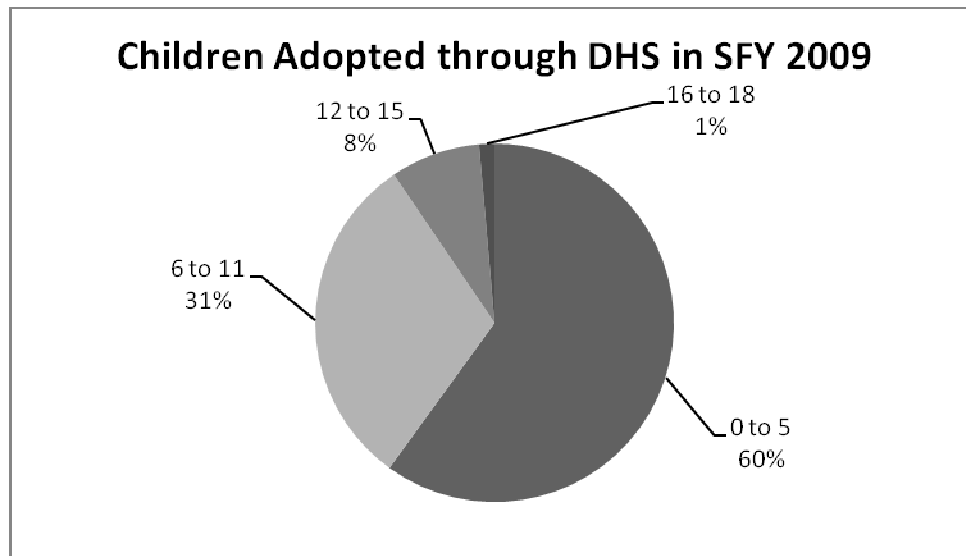
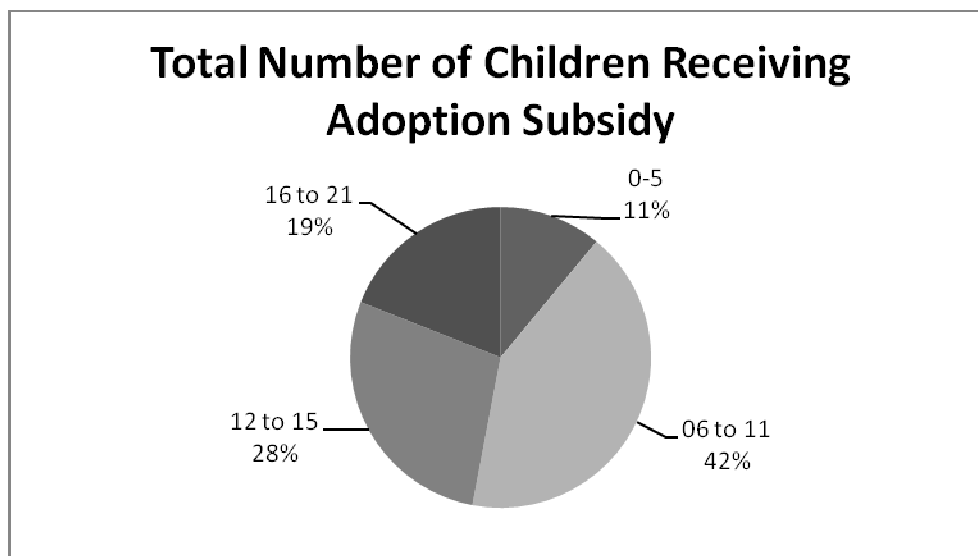


Figure 4 – Age of Children Receiving Adoption Subsidy



Figures 5 and 6 show that, while Caucasian children make up almost three-quarters of children adopted through DHS, African American children make up a larger percentage of adoptions and adoption subsidy cases than they do of the overall child population. This is because African American children represent a disproportionate percentage of the foster care population and because African American children are less likely to be reunited with their parents than Caucasian children.

Figure 5 – Race and Ethnicity of Children Adopted Through DHS

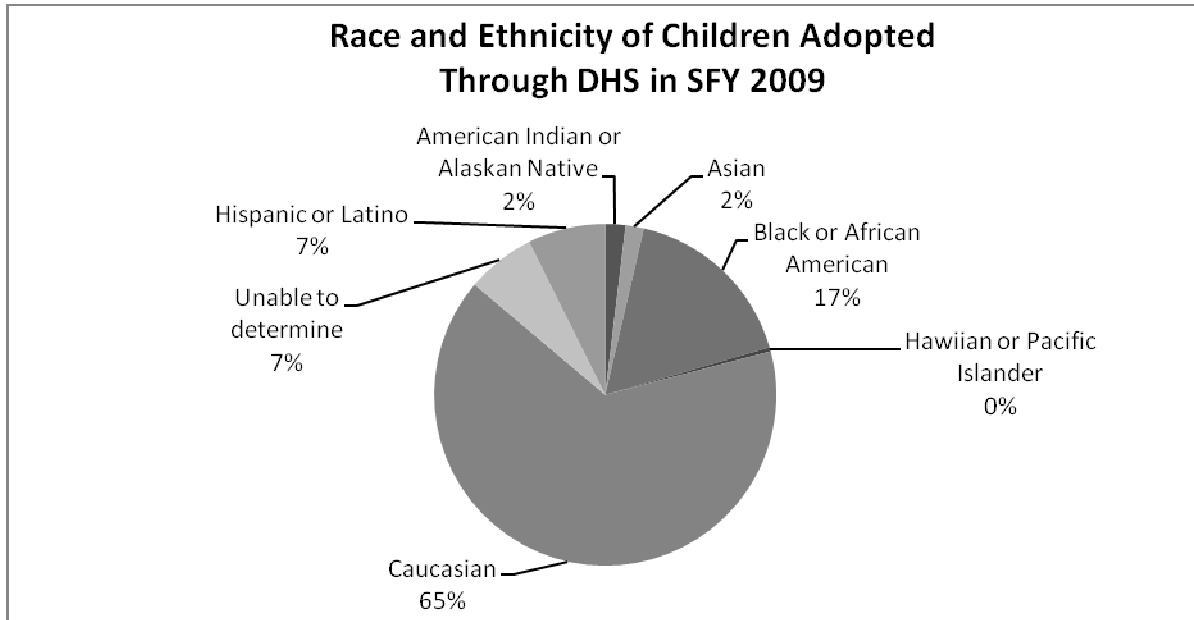
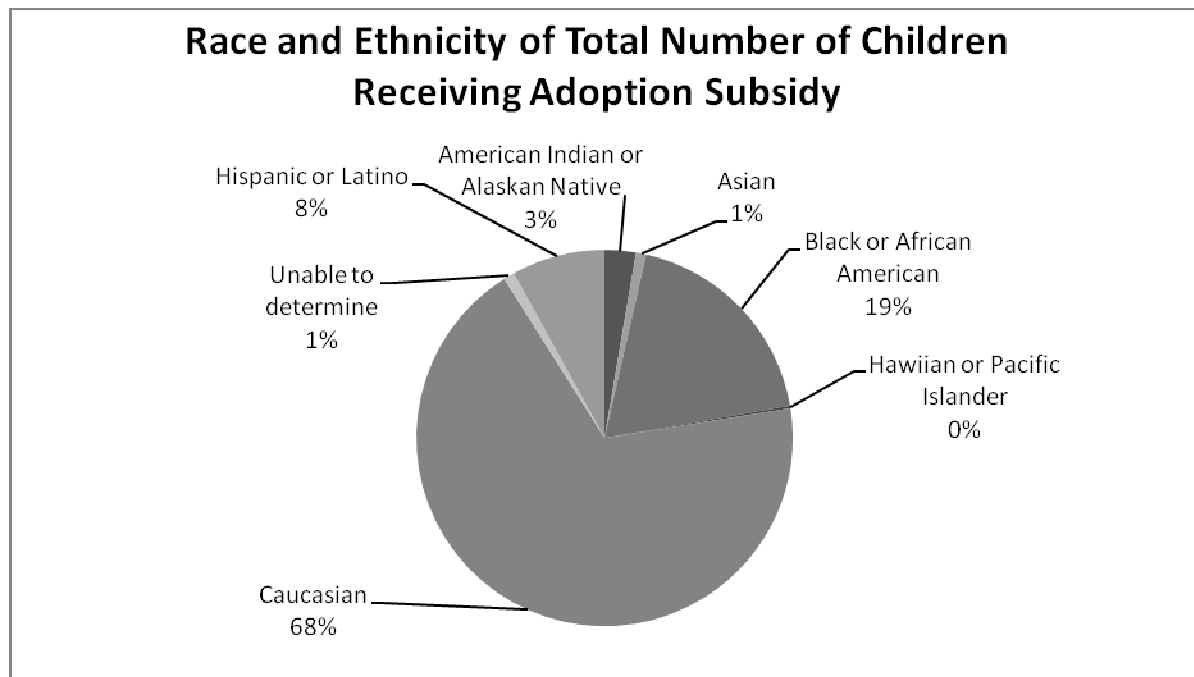


Figure 6 – Race and Ethnicity of Children Receiving Adoption Subsidy



What:

This offer funds activities to achieve permanent families for children who are eligible for adoption, assists in their placement and provides services to avoid disruption. The adoption program includes two primary components:

- Adoption recruitment and services to children and families to achieve an adoption: The Department contracts for statewide recruitment of families to adopt children who are in the state's guardianship. Adoption services include home studies (including child abuse and criminal history record checks), placement support, and post-placement services. Note: The state funds for adoption recruitment and services to children and families to achieve an adoption are included within *Offer #401-HHS-007 Child Welfare/Juvenile Justice Community Services*.
- Adoption subsidy: The Department provides the following subsidy benefits to families who have adopted a special needs child from foster care, without regard to family income.
 - Monthly maintenance payments. Basic maintenance rates are based on the child's age, and range from \$17.55 to \$20.22 per day. Special care rates are based on the child's special needs.
 - Coverage under the Medicaid program. Medicaid provides access to health care ranging from preventive care to primary care to behavioral health care. The state funds for Medicaid are included within *Offer #401-HHS-003 Medical Services*.
 - Payment for special services (e.g., medical services not covered by Medicaid, such as non-prescription medication, and some medical services provided to Iowa children in other states; attorney fees; and court costs to finalize the adoption.)

How:**Service Delivery**

Approximately 55 child welfare staff in DHS local offices provide the following services:

- *Adoptive Record Check Evaluations and home study approval*: Evaluate child abuse and/or criminal history when adoptive applicants have a positive record check, and adoption home study decision.
- *Eligibility Determination*: Determine eligibility for the adoption subsidy program and for Title IV-E funding. They also negotiate and establish the adoption subsidy payment.
- *Case Management*: Provide case management for children and supervise the adoptive placement until the adoption is finalized.
- *Consents*: Consent to medical care and other activities requiring parental consent for children under DHS guardianship prior to finalization of an adoption, and issue the consent to the finalization of the child's adoption.
- *Subsidy Payment*: Authorize the monthly payment to adoptive families, and approve and process payments for special services.

Service Support

- *Corporate Leadership*: Provide overall agency strategic management and accountability for the achievement of results.
- *Contract Management*: Maintain contract with a private agency for recruitment of adoptive homes and services to support adoptive placements. This includes managing the procurement process and monitoring contractor performance.
- *Licensing*: License all child-placing agencies that provide adoption services and certify all adoption investigators that provide services for both public and private adoptions. The Department of

Inspection and Appeals (DIA) completes the licensing investigation and makes a recommendation to DHS.

- *Interstate Compacts*: Manage the Interstate Compact on the Placement of Children (ICPC) and the Interstate Compact on Adoptions and Medical Assistance (ICAMA). Iowa's ICPC office processed 201 requests for adoptive placements (including both DHS adoptions and private adoptions) in fiscal year 2008. Of the 201 requests, 121 were for children placed outside of Iowa, and 80 were children placed in Iowa. Iowa's ICAMA office determines eligibility for medical coverage for children eligible for adoption assistance whose family moves across state lines. In SFY 2009, DHS processed 103 referrals for children coming into Iowa, and 121 referrals for children from Iowa placed into other states.
- *Information Technology*: Maintain the child welfare information system that issues payments and sustains Federal claiming, supports caseworker activities, and is the source for adoption related data.
- *Federal Programs*: Complete the Title IV-B and IV-E state plans, state plan amendments, and program reporting required to claim federal funding; and coordinate preparation for periodic Federal program reviews.
- *Financial Accountability*: Manage budget, accounting, Federal/State reporting, cost allocation, and audit coordination and resolution.
- *Program Support*: Develop and maintain the administrative rules and employees' manual for the adoption program, to ensure that Iowa's program aligns with best practice and complies with all relevant state and Federal laws and regulations.
- *Program Monitoring*: Monitor program outcomes, manage program improvement plans, and provide data to staff, policy makers and the general public.
- *Constituent Relations*: Work with constituent groups (e.g., Iowa Foster and Adoptive Parent Association) and key stakeholders and partners (e.g., county attorneys, Child Advocacy Board, Children's Justice of State Court Administration, etc.), and respond to constituent complaints and questions, as well as appeals and requests for exceptions to policy.
- *Provider Payment*: Distribute client benefits and provider/vendor payments.

American Recovery and Reinvestment Act Impact

ARRA authorized additional Federal funding for states in the form of a time-limited 6.2% increase in Federal Medical Assistance Percentage (FMAP) for Medicaid and Title IV-E that is effective from 10/01/2008 through 12/31/2010. In SFY 2010, it's estimated that an additional \$2.9 million in Federal Title IV-E funds will be earned in the adoption subsidy program as a result of this provision. In addition, Field Operations received \$274,785 from the Human Services Reinvestment Fund related to the delivery of adoption services.

The SFY 2011 adjusted status quo budget assumes that the funding needed to replace the reduction in IVE funds in SFY 2011, and the \$274,785 in funding from the Human Services Reinvestment Fund for field operations will be replaced with state funds in SFY 2011 in order to maintain funding at the SFY 2010 level.

Offer Description:

Today's Activities and Results:

This offer includes funding for the adoption subsidy program that provides support to families that adopt children from foster care. Adoption subsidy is one of the state's primary strategies for achieving stable and permanent families for children whose parental rights have been terminated.

As of June 30, 2009, DHS provided an adoption subsidy payment for 8,387 children. This offer supports a projected caseload increase of 29 cases per month through SFY 2010 and SFY 2011.

DHS has been very effective in finding permanent adoptive families for children under state guardianship. In SFY 2009, DHS finalized 937 adoptions, with a yearly average of 992 adoptions for the last 5 years. Over 90% of the children adopted through DHS participate in the adoption subsidy program. As a result, Iowa has a large and growing number of children eligible for adoption subsidy, although the growth has slowed over the last few years.

Iowa's performance on the Federal standard of timeliness of adoptions has remained steady during the past three years. The measure represents the percentage of children who are adopted in less than 24 months from the time of their most recent removal from their home. The Federal median is 27%, and Iowa has continually exceeded the Federal median at an average of 54%.

At the current service level, this offer would maintain the adoption subsidy program at its current eligibility and benefit level.

Offer Justification:

Legal Requirements:

Federal:

The adoption subsidy program is governed under Title IV-E of the Social Security Act. The adoption program is governed under Title IV-B of the Social Security Act. As a condition of receiving Federal funds, parental income cannot be taken into account in determining eligibility for the subsidy or the amount of the subsidy pursuant to Federal regulation 1356.4(c). The same Federal statute requires that the adoption assistance payments may not be automatically decreased without the agreement of the adoptive parents.

State:

State requirements related to adoption are found in Chapter 232 and Chapter 600 of the Iowa Code. State requirements related to payment rates are found in Chapter 234.

Rationale:

All children deserve to grow up in safe and stable families, and a healthy living environment. The purpose of adoption and the adoption subsidy program is to achieve and maintain stable and permanent families for children who have been abused or neglected, and whose parental rights have been terminated.

The adoption subsidy helps to strengthen and support families so that children grow up in safe and healthy living environments with secure and nurturing families. This contributes both to improved health outcomes for children, and is a critical factor in student achievement.

Numerous studies have demonstrated that adoption contributes to children growing up in stable families.

- Adopted children have more successful outcomes than children who are reared in institutional environments or in long-term foster care.
- Children adopted from foster care experience greater stability during childhood and also enjoy more lifelong relationships with their adoptive families than do children who remain in foster care.

- A study comparing perceptions of a group of adults who had been adopted at an average age of 3.5 years, with those of a group who had grown up in group care, found that adoptees were more satisfied with how they had been raised and with their lives.
- Adoption disruption rates are lower than disruptions of guardianships or long-term foster care placements.

Studies have also shown that children adopted from foster care face a number of challenges. Without adoption services, including adoption subsidy benefits, many of these children would not be able to grow up in secure and nurturing families.

- 60% of children adopted had experienced neglect; 52% were diagnosed with attention deficit disorder; and 78% experienced sexual and/or physical abuse prior to adoption.
- Children exposed to physical abuse and/or neglect often experience adverse impacts in their physical health, brain development, cognitive and language skills, academic achievement, socio-emotional functioning. These behavioral and emotional difficulties generally do not abate over time.
- Neglect is associated with a variety of developmental difficulties in childhood, including cognitive, language, and academic delays, poor peer relations, and internalizing (anxiety, depression) and externalizing (aggression, impulsivity) behavior problems.

As noted above, many of these children will continue to need special services following adoption. Some are likely to continue to need such services well into adulthood and even throughout their entire lives. The importance of services and adoption subsidy is supported by research that links the success of special needs adoptions to the availability of appropriate support.

- Adoptive families want educational and informational services (literature, seminars, support groups), clinical services (individual, marital, and family counseling, respite care, and crisis counseling), and material services (adoption subsidies, health benefits, respite care, and support).
- Adopted families use a variety of services, including special education, outpatient mental health services, hospitalization, and temporary residential placement services.
- Adoption assistance can decrease the waiting time until adoption for children with disabilities, older children, and children who need continued treatment; it can facilitate adoptions for children with previously disrupted adoptions.
- State surveys in Illinois, Oregon and Oklahoma demonstrated that adoption subsidies have opened adoption opportunities to minority and low-income families, and have demonstrated positive outcomes. Of all the post-adoption services provided, financial subsidies and medical services received the highest ratings.
- Adoption subsidies are associated with adoption stability. In a comparison of stable to disrupted placements, researchers found that the amount of the monthly subsidy check differed, with families that received greater subsidies having more stable placements.
- Adoption services have been found to predict adoption success of older children and to decrease adoption disruption.

Children who are eligible for the adoption subsidy also receive Medicaid coverage that provides them with access to a range of health care benefits from preventive care to primary care to acute care. As noted above, adoptive families find these services critical in addressing the physical and mental health needs of children who have been abused and/or neglected.

Results:

Result: Strengthen and Support Families/Safe and Nurturing Families	SFY 2009 Actual	SFY 2010 Budget Level	SFY 2011 Offer Level
Number of finalized adoptions	937	975	975
Percentage of children adopted within 2 years of placement (national median is 27%)	54%	54%	54%

Sustaining service delivery assumes the level of funding requested in the offer, as well as full funding of salary adjustment. If salary adjustment is not received for SFY 2011, this would be the equivalent of the loss of an estimated 0.42 general admin FTE's and 2.69 field FTE's. If funding is insufficient in either area, results to be achieved will be modified to reflect the impact.